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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

Proceeding	92047536
Party	Defendant Castle Brands Spirits Company Limited Castle Brands Spirits Company Limited SETANTA HOUSE HOTEL, CLANE ROAD CELBRIDGE, COUNTY KILDARE, IE
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Submission	Motion to Dismiss - Rule 12(b)
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**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD**

In the Matter of Registration No. 2,452,996
Registered May 22, 2001
Mark: BORU

DISTILLERIE STOCK U.S.A. LTD.,

Petitioner,

-against-

CASTLE BRANDS SPIRITS COMPANY LIMITED,

Respondent.

Cancellation No. 92047536

**MOTION TO DISMISS PETITION FOR CANCELLATION UNDER
F.R.C.P. 12(B)(6) FOR FAILURE TO STATE A CLAIM UPON
WHICH RELIEF CAN BE GRANTED AND
ACCOMPANYING MEMORANDUM**

Respondent moves to dismiss the amended petition filed in Cancellation No. 92047536 for failure to state any claim upon which relief can be granted under F.R.C.P. 12(b)(6).

MEMORANDUM

I. PROCEDURAL HISTORY.

Respondent Castle Brands Spirits Company Limited ("Castle Brands") is the owner of Trademark Registration No. 2,452,996 for "BORU" for "distilled liquors and distilled spirits." Castle Brands claims February 1, 1999 as the date for its first use in commerce of the "BORU" mark. Castle Brands filed its "Combined Declaration of Use and Incontestability Under Sections 8 & 15" on April 1, 2007, and the "BORU" mark is now incontestable pursuant to 15 U.S.C. § 1065.

Petitioner Distillerie Stock U.S.A. Ltd. (“Distillerie Stock”) filed a Petition for Cancellation on May 9, 2007, and an Amended Petition for Cancellation on June 12, 2007. The Amended Petition alleges, among other things that Distillerie Stock has supposedly used its “BORA” mark to “identify one of its popular liqueurs” since 1966, that it is the owner of Trademark Registration No. 1,272,086 for “BORA” for liqueurs, that as “a result of Petitioner’s long and successful use of its “BORA” mark, consumers have come to recognize the name and Petitioner’s BORA Sambuca,” and that the mark has become famous. (Amended Petition ¶¶ 3-5)

The Amended Petition asserts five separate grounds for cancellation: (1) that the “BORU” mark should be cancelled under Section 2(a) of the Lanham Act “on the grounds that Registrant’s mark falsely suggests a connection between Registrant and Petitioner” (*id.* ¶11); (2) that the mark should be cancelled under Section 14 of the Lanham Act “on the grounds that Registrant’s subject mark is being used by or with permission of the Registrant so as to misrepresent the source of goods on or in connection with which the mark is used” (*id.* ¶12); (3) that the mark should be cancelled under Section 2(d) of the Lanham Act “on the grounds that Registrant’s subject mark so resembles Distillerie Stock’s BORA mark used consistently by Petitioner in the United States, as to be likely when used on or in connection with the registered goods to cause confusion, or to cause mistake, or to deceive” (*id.* ¶13); (4) that the mark should be cancelled under Sections 2(f) and 43(c) of the Lanham Act “on the grounds that Registrant’s use of the subject mark will dilute the distinctive and famous quality of Distillerie Stock’s BORA mark” (*id.* ¶ 14); and (5) that the mark should be cancelled under Section 14 of the Lanham Act “on the grounds that it has been obtained and/or maintained fraudulently” (*id.* ¶15).

None of these grounds in Distillerie Stock’s laundry list of grounds for cancellation has any merit. Indeed, two of them – that there is a likelihood of confusion and that the “BORA”

mark will be diluted – are barred on their face by the incontestable status of the “BORU” mark.¹ The remaining three grounds are similarly baseless, and Distillerie Stock’s entire Amended Petition should be dismissed with prejudice.

II. ARGUMENT

“In order to withstand a motion to dismiss, a pleading need only allege such facts as would, if proved, establish that the petitioner is entitled to the relief sought, that is, that (1) the petitioner has standing to maintain the proceeding, and (2) a valid ground exists for cancelling the respondent's registration.” *Otto International, Inc. v. Otto Kern GmbH*, 2007 WL 1577524, *1 (T.T.A.B. May 30, 2007) (citing *Ritchie v. Simpson*, 170 F.3d 1092, 50 USPQ2d 1023, 1025 (Fed. Cir. 1999); *Young v. AGB Corp.*, 152 F.3d 1377, 47 USPQ2d 1752, 1755 (Fed. Cir. 1998); *Lipton Industries, Inc. v. Ralston Purina Co.*, 670 F.2d 1024, 213 USPQ 185 (CCPA 1982). “Factual allegations must be enough to raise a right to relief above the speculative level.” *Bell Atlantic Corp. v. Twombly*, 127 S. Ct. 1955, 1959 (2007).

A. The Amended Petition Does Not Sufficiently Plead Grounds for Canceling the “BORU” Mark Under Section 2(a) of the Lanham Act.

Trying to make an end run around the fact that its claim that there is a “likelihood of confusion” between the “BORU” and “BORA” marks is irretrievably time-barred, Distillerie Stock baldly asserts as a ground for cancellation that “Respondent’s use of the subject mark falsely suggests a connection between Registrant and Petitioner.” (Amended Petition ¶ 11) Distillerie Stock does not offer any further explanation of this ground beyond this conclusory assertion that Castle Brand’s use of the “BORU” mark somehow falsely suggests a connection

¹ In the period between the filing of Distillerie Stock’s original and amended petitions, Castle Brands advised Distillerie Stock that these grounds for cancellation are time-barred. Distillerie Stock agreed that the grounds are in fact time-barred, but frivolously continues to assert them in the amended petition.

with Distillerie Stock. The amended petition pointedly does *not* allege that a reference to Distillerie Stock's "BORA" mark is also unmistakably referable to Distillerie Stock – *i.e.*, that a reference to its own "BORA" mark points uniquely and unmistakably to the institution Distillerie Stock.

In "inter partes proceedings before the Board, an essential element of a Section 2(a) claim of false suggestion of a connection is that the defendant's mark must point uniquely and unmistakably to the identity or persona of the 'person' or 'institution' asserting the claim. If the defendant's mark does not point uniquely and unmistakably to the plaintiff's identity or persona, then there can be no false assertion of a connection." *Internet Inc. v. Corporation for National Research Initiatives*, 38 U.S.P.Q.2d 1435, 1437 (T.T.A.B. 1996); *see also Institut National Des Appellations d'Origine v. Brown-Forman Corp.*, 47 U.S.P.Q.2d 1875, 1887 (T.T.A.B. 1998); *National Aeronautics and Space Administration v. Bully Hill Vineyards Inc.*, 3 U.S.P.Q.2d 1671, 1676 (T.T.A.B. 1987).

Distillerie Stock fails to state a ground for cancellation under this settled law. The amended petition does not allege that Castle Brands' "BORU" mark points "uniquely and unmistakably" to Distillerie Stock's identity or persona. In such circumstances, there can be no claim of false assertion of a connection.

B. The Amended Petition Does Not Sufficiently Plead Grounds for Canceling the "BORU" Mark Under Section 14 of the Lanham Act Based on the Allegation that the Mark Is Being Used to Misrepresent the Source of Goods.

Again seeking to avoid the staleness of its "likelihood of confusion" claim, Distillerie Stock baldly asserts – without any supporting detail – that "Registrant's subject mark is being used by or with permission of the Registrant so as to misrepresent the source of goods on or in connection with which the mark is used, with consequent injury to Petitioner and to the public."

(Amended Petition ¶12) The Board recently rejected this tactic of trying to revive time-barred “likelihood of confusion” claims under the guise of a “misrepresentation of source” claim in *Otto International, Inc. v. Otto Kern GmbH*, 2007 WL 1577524, *1 (T.T.A.B. May 30, 2007).

Like here, in *Otto International*, the mark that the petitioner sought to cancel had been registered more than five years before the filing of the petition, so the Board struck the petitioner’s allegations seeking to cancel the mark under Section 2(d). *Id.* at *2. Also like here, the petitioner claimed that the “respondent is using the registered mark so as to misrepresent that petitioner is the source of respondent’s goods.” *Id.* at *3. The Board noted that a “pleading of misrepresentation of source ‘must be supported by allegations of blatant misuse of the mark by respondent in a manner calculated to trade on the goodwill and reputation of petitioner.’” *Id.* After analyzing the allegations in the petition, the Board held:

we do not find that petitioner has properly pleaded a claim of misrepresentation of source. Petitioner has not alleged facts reflecting respondent’s deliberate misrepresentation of the source of its products, ‘blatant misuse’ of the mark, or conduct amounting to the deliberate passing-off of respondent’s goods.

...

The nature of [the petitioner’s] allegations is of the type that typically support a claim of likelihood of confusion under Section 2(d), but as we have noted, such ground is no longer available to petitioner. In interpreting the Trademark Act Section 14, because Congress barred a likelihood of confusion claim after five years, we cannot conclude that the same facts recast as a misrepresentation of source claim would constitute a cognizable ground for relief. If it were otherwise, Congress’ exclusion of claims under the Trademark Act Section 2(d) after five years would be rendered meaningless. *Id.* at *4.

Castle Brands respectfully submits that the same result should obtain here. Distillerie Stock has done nothing more than try to shoehorn its time-barred “likelihood of confusion” claim into a “misrepresentation of source” claim. The controlling law simply does not permit that artful evasion.

C. The Amended Petition Does Not Sufficiently Plead Grounds for Canceling the “BORU” Mark Under Section 2(d) of the Lanham Act.

Distillerie Stock’s assertion of Section 2(d) as a ground for canceling the “BORU” mark is frivolous and sanctionable. “It is well settled that the grounds on which a cancellation action may be brought under Section 14 of the Trademark Act are limited for a registration that has been inexistence for five years; Section 2(d) is not one of these grounds.” *Otto International*, 2007 WL 1577524 at *2 (citations omitted).

It is indisputable that Castle Brands’ registration for “BORU,” having been registered on May 22, 2001, was nearly six years old when Distillerie Stock filed its original petition on May 9, 2007. “Thus, to the extent the petition presents allegations of a claim under Section 2(d), they are barred by Section 14(3), inasmuch as respondent’s registration is more than five years old.” *Id.* at *2.

D. The Amended Petition Does Not Sufficiently Plead Grounds for Canceling the “BORU” Mark Under Sections 2(f) and 43(c) of the Lanham Act.

Distillerie Stock’s assertion of dilution as a ground for canceling the “BORU” mark is likewise frivolous and sanctionable. As noted, “there exists no dispute that a registration that is over five years old may be cancelled solely on the grounds set forth in Section” 14(3). *Western Worldwide Enterprises Group, Inc. v. Qinqdao Brewery*, 17 U.S.P.Q.2d 1137, 1139 (T.T.A.B. 1990); *see also Otto International*, 2007 WL 1577524 at *1. It is also indisputable that dilution, like likelihood of confusion, is not a ground for cancellation set forth in Section 14(3). As the “BORU” registration is more than five years old, and as dilution is *not* a ground for cancellation of marks that are more than five years old, Distillerie Stock’s allegations of dilution as a ground for canceling Castle Brands’ mark are time-barred and should be dismissed.

E. The Amended Petition Does Not Sufficiently Plead Grounds for Canceling the “BORU” Mark Under Section 14 of the Lanham Act Based on the Allegation that the “BORU” Mark Was Fraudulently Obtained.

It is well settled that fraud in a petition must be pled with the particularity required by F.R.C.P. 9(b). *American Flange & Manufacturing Co. v. Rieke Corp.*, 80 U.S.P.Q.2d 1397 (T.T.A.B. 2006); *Nobelle.Com, LLC v. Qwest Communications International, Inc.*, 66 U.S.P.Q.2d 1300 (T.T.A.B. 2003). To “satisfy the Rule 9(b) pleading standard, a fraud claim alleging material misstatements or omissions must: ‘(1) detail the statements (or omissions) that the plaintiff contends are fraudulent, (2) identify the speaker, (3) state where and when the statements (or omissions were made), and (4) explain why the statements (or omissions) are fraudulent.’” *Sedona Corp. v. Ladenburg Thalmann & Co.*, 2005 WL 1902780, *10 (S.D.N.Y. Aug. 9, 2005) (citation omitted).

Distillerie Stock has not remotely met its burden to plead fraud with particularity here. Its fraud allegations in the amended petition consist of the bare assertion that the “BORU” mark “has been obtained and/or maintained fraudulently” because Distillerie Stock “had never encountered any reference to Respondent’s BORU mark in commercial use until shortly before commencing the current proceeding,” so Castle Brands’ statement of continuing bona fide use of its mark must, “upon information and belief” be fraudulent. (Amended Petition ¶¶ 9, 15) This rampant speculation – based entirely on Distillerie Stock’s alleged unfamiliarity with the “BORU” mark – is insufficient to state a claim for fraud.

Among other things, Distillerie Stock does not describe what steps, if any, that it takes to monitor the market in which the “BORU” mark is used or why the Board should expect Distillerie Stock to be familiar with the “BORU” mark such that its failure to know of the mark might give rise to any inference of improper conduct. Indeed, based on the state of the current

record and the presumption of validity that registered trademarks (especially incontestable marks) enjoy, Distillerie Stock's claimed failure to have known of the "BORU" mark earlier is more consistent with its own ignorance of the market in which the "BORU" mark is used than with any wrongdoing on Castle Brands' part.

The pleading requirements of Rule 9(b) protect "a defendant's reputation from baseless allegations of deceit, and reduces the likelihood of 'strike' suits – meritless suits initiated to coerce defendant to settle," *Yashiro Co. v. Falchi*, 1998 WL 274679, *10 (S.D.N.Y. Br. May 27, 1998). These protections would be gutted if every petitioner could assert fraud based on nothing more than its own claimed unawareness of the respondent's mark. Distillerie Stock's speculation of fraud based on its own alleged ignorance of the "BORU" mark does not meet the requirements of Rule 9(b).

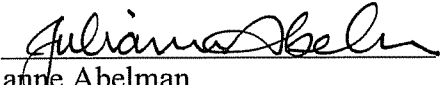
III. CONCLUSION

For all the foregoing reasons, it is respectfully submitted that the amended petition should be dismissed with prejudice and the Board should grant such additional relief as it deems proper.

Respectfully submitted,

**CASTLE BRANDS SPIRITS
COMPANY LIMITED**

Dated: July 6, 2007
New York, New York

By 
Julianne Abelman
Richard L. Crisona

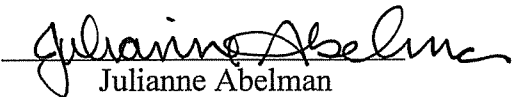
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CERTIFICATE OF SERVICE

I hereby certify that a true copy of the foregoing **MOTION TO DISMISS PETITION FOR CANCELLATION UNDER F.R.C.P. 12(B)(6) FOR FAILURE TO STATE A CLAIM UPON WHICH RELIEF CAN BE GRANTED AND ACCOMPANYING MEMORANDUM** was served by first class mail, postage prepaid, this 6th day of July, 2007 upon the following:

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Julianne Abelman